

LNF & IHCIF Calculations Illustration - Kaw in Oklahoma area -

Given Data

- 823 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 88.2% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$525 per person for purchased services = $20\% * 88.2\% * \$2,980$
- \$3,236 per person for in-house services = $80\% * 135.7\% * \$2,980$
- \$3,762 per person total = \$525 (purchase) + \$3,236 (in-house)
- **\$3,646 per person total** adjusted for health status = $\$3,762 * 96.9\%$
- **\$2,901 per person net cost** = $\$3,646 - \745 Other resources (M&M&PI)

Existing Expenditures (for 823 users excluding wrap-around and collections)

- \$1,192 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,322 per person for OU users** = $\$1,192 + \$77 + \$54$

LNF Calculation

- **36.3% Gross LNF** = $\$1,322$ (expenditures) / $\$3,646$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **45.6% Net LNF** = $\$1,322 / \$2,901$ net cost ($\$3,646 - \745 other)

IHCIF Allocation

- \$344,157 = \$ to raise LNF% from 45.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$12,004 Allocation** = $\$344,157$ needed for 60% * 3.488% IHCIF fraction

Kaw Unmet Needs

- **\$2,387,609 Net Total Need** = 823 users * $\$2,901$ net cost
- **\$1,299,200 Net Unmet Need** = $(100\% - 45.6\% \text{ LNF}) * 823$ users * $\$2,901$ net cost